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C O N F I D E N T I A L SECTION 01 OF 02 ABU DHABI 001301

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STATE FOR NEA/ARP STHORNE, EB/ESC/TFS KLEAHY  
TREASURY FOR U/S LEVEY, RLEBENSON, PHEFFERNAN, CBLANCHARD  
MANAMA FOR JBEAL  
NSC FOR JZARATE, NSHAMPAINA

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TAGS: [EAID](#) [PTER](#) [KTFN](#) [PHUM](#) [AE](#)  
SUBJECT: UAE CHARITY REGULATION: EMIRATE-LEVEL, NOT FEDERAL

REF: A. 2005 ABU DHABI 2741

[1](#)B. ABU DHABI 440  
[1](#)C. ABU DHABI 1103

Classified By: Ambassador Michele J. Sison for reasons 1.4 b and d.

[1](#)1. (C) Summary. The UAE does not have a unified federal system of charity oversight or regulation. Charity regulation is ultimately the responsibility of each of the seven emirates. The Ministry of Social Affairs (MSA) licenses and monitors charities in Abu Dhabi, and any charity that is licensed by a local emirate that wants to operate outside of its "home" emirate (ref A). The Dubai Department of Islamic Affairs and Charitable Activities (DDIA) licenses charities in Dubai (ref B). Charities in other emirates are licensed by their home emirate's municipality department, and it is unclear what monitoring regimes they adhere to. The UAE has issued guidelines that charities may not transfer funds overseas or operate internationally, but charities licensed outside of Abu Dhabi and Dubai may not be aware of these guidelines. End summary.

[1](#)2. (C) The UAE federal law governing charitable organizations (Law #6 of 1974), and its subsequent amendments, impose a wide array of administrative requirements on charity organizations. According to the federal law, charities are not allowed to undertake any activity abroad -- to include transferring money, establishing offices, collecting donations, or participating in activities -- without prior permission from the Ministry of Social Affairs (MSA) (formerly the Ministry of Labor and Social Affairs). According to a 1994 ministerial resolution, licensed associations must channel all international contributions "through the Red Crescent Association in this country (the UAE) or through those bodies which are designated by the official authorities in another country." UAE officials have also told us they allow money to be transferred through the Mohammed bin Rashid Foundation in Dubai and the Sheikh Zayed Charitable and Humanitarian Foundation in Abu Dhabi. Additionally, Minister of Social Affairs al-Roumi mentioned during a meeting with Ambassador on March 26 that charities could send money via the Al-Maktoum Foundation in Dubai. Al-Roumi told Ambassador that every six months the Ministry sends reminder letters to all the charities it licenses to remind them of the regulations regarding international transfers. She is "confident" that all MSA-licensed charities know they are supposed to transfer funds abroad "only through one of the four approved charities." She was unable to comment on whether the MSA auditors are checking to be sure the charities abide by this regulation.

13. (SBU) The MSA licenses 119 non-governmental social welfare associations throughout the UAE. These include women's societies, cultural associations, arts/theater clubs, expatriate clubs, trade associations, and humanitarian organizations. According to an MSA publication, it has granted licenses to 42 associations in Abu Dhabi, 29 in Dubai, 19 in Sharjah, 5 in Ajman, 5 in Umm al-Quawain, 13 in Ras al Khaimah, and 6 in Fujairah. Of the 119, only 6 are Islamic charity organizations:

- Orphan Society (in Abu Dhabi)
- Beit al-Khair (has 5 branches in the UAE)
- Dubai Charity Association
- Dar al-Ber Society (Charity House) (in Dubai)
- Al-Fujairah Charity Association
- Umm al-Quawain Charity Society

14. (SBU) Article 17 of federal Law #6 of 1974 (as amended by Law #20 of 1981) allows individual emirates to license and regulate their own charitable organizations. As a result of this provision, many locally licensed charities are not subject to federal MSA supervision or its guidelines.

15. (SBU) The second largest emirate, Dubai, licenses its charities through the Dubai Department of Islamic Affairs and Charitable Organizations (DDIA). As of late January 2006, DDIA licensed 10 charities (two of which are also licensed by the MSA because they operate in emirates other than just Dubai):

- Mohamed bin Rashid Foundation
- Al-Maktoum Foundation
- Beit al-Khair
- Dubai Charity Association

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- Dar Maktoum Foundation
- Sultan Khalifa al-Habtoor Charity
- Red Crescent (the Dubai office)
- Dubai Aid City/Dubai Humanitarian City
- Al Shifa Charity Establishment
- Society of Reform and Social Guidance

16. (C) The DDIA, which licenses, monitors, and develops Dubai's Islamic charities, allows its charities to send money to international charities so long as they seek prior approval from DDIA. During a January 25 meeting with Treasury Under Secretary Stuart Levey, DDIA Deputy Director General Sami al-Gargash said that DDIA's main concern is working to be sure that charities, activities abroad are legitimate (ref B). Al-Gargash said that DDIA relies on Dubai's security services to help confirm the legitimacy of a given foreign charity, and that before DDIA grants a charity a license to operate in Dubai, the security service checks the names of all charity employees and board members to be sure that none have objectionable connections. The charities licensed by DDIA only have to seek a license by the MSA if they want to conduct activities in an emirate outside of Dubai. In the case of the two charities that have gained MSA approval to operate outside of Dubai, they still report to the DDIA.

17. (SBU) While this is by no means a comprehensive list, Embassy is aware of a number of other charity organizations that are not licensed by either MSA or the DDIA. We do not know what licensing and/or monitoring regime they adhere to. Those in the northern emirates are likely licensed by that emirate's municipality department. These charities include (but are not limited to):

- Gulf for Good (Dubai)
- Human Appeal International (Ajman)
- Ajman Care Society (Ajman)
- Al Ihsan Charity Center (Ajman)
- Welfare Association (Fujairah)

-- Sharjah City for Humanitarian Services (Sharjah)  
-- Sharjah Charity Association (Sharjah)  
-- Charity International (Sharjah)  
-- Triam Omran Establishment for Cultural and Humanitarian Services (Sharjah)  
-- Sanabel Committee in Support of Palestinian Women and Children (Abu Dhabi) (Note: although this charity is not licensed by the MSA, it does channel its international donations through the UAE Red Crescent.)

¶8. (SBU) Finally, it is worth noting that neither the UAE Red Crescent, nor the Sheikh Zayed Charitable and Humanitarian Foundation are licensed by MSA. The Secretary General of the UAE Red Crescent Authority (RCA) told econoff March 28 that the RCA is an "independent authority" that does not report to any UAE ministry. Rather, it reports directly to the President of the UAE Red Crescent, Sheikh Hamdan bin Zayed al-Nahyan (HbZ) -- the UAE's Deputy Prime Minister. The Zayed Foundation, which was established by the passage of a 1992 federal law, submits its annual audit report to the UAE Ministry of Foreign Affairs. According to the Zayed Foundation's charter, the foundation is an "independent legal entity" that reports only to its Board of Trustees (whose chairman is also HbZ).

¶9. (C) Comment. The fractured nature of UAE charity regulation will be one of the topics for the upcoming April 30 meeting of the U.S./UAE Joint Terrorism Finance Coordinating Committee (JTFFC). Embassy and the U.S. JTFFC delegation will work with the UAEG to encourage adoption of a unified system of charity oversight, as outlined in the Financial Action Task Force and Middle East and North Africa Financial Action Task Force best practices papers on the regulation and oversight of non-profit and charitable organizations.  
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